

NIMBUS FOODS INDUSTRIES LIMITED

NOTICE

NOTICE is hereby given that the FIFTEENTH ANNUAL GENERAL MEETING of the members of **NIMBUS FOODS INDUSTRIES LIMITED** will be held as scheduled below:

Date : 25th September, 2010
Day : Saturday
Time : 10:15 A.M.
Place : At the Registered Office
of the Company at:
Plot No. B-13 & 14, Phase – II, GIDC Industrial Area,
Naroda, Ahmedabad–382 330.

to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt Audited Profit and Loss Account for the Financial Year 2009-10 ended on 31st March, 2010 and the Balance sheet as on that date along with Director's Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Shyamkishore Dehliwalal, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of Next Annual General Meeting and to fix their remuneration.

Registered Office:
Plot No. B-13 & 14,
Phase – II, GIDC Industrial Area,
Naroda, Ahmedabad 382 330.
Date : 9th August 2010

By Order of the Board,

VISHNU SHARMA
Chairman & Managing Director

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF MEETING.
2. Pursuant to Section 154 of the Companies Act, 1956, Register of Members and shares Transfer Books of the Company will remain closed from **Tuesday, 21st September, 2010 to Saturday, 25th September, 2010 (both Days inclusive).**
3. Members intending to require information about accounts at the meeting are requested to write to the Company at least 10 days in advance of the Annual General Meeting.
4. Members are requested to:
 - a) Intimate, if shares are held in the same name or in the order and names, but in more than one account to enable the Company to club the said accounts into one account.
 - b) Notified immediately the change in their registered address, if any, to the Company.
5. The Equity Shares of the Company are now available for dematerialisation, as the Company has entered into Agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Those shareholders who wish to hold shares in electronic form may approach their Depository Participant. **The ISIN No. of the Equity Shares is INE301B01020.**

Brief resume of the Director seeking re-election at the 15th Annual General Meeting

Name	Shyamkishor Delhiwala
Age (Date of Birth)	04-10-1938
Date of Appointment	26-04-1995
Qualification and experience in specific functional area	Undergraduate, having more than 40 years of experience in administration and finance.
Directorship held in other companies	None
Membership/Chairmanships of Committee in other Public Companies	None

FIFTEENTH ANNUAL REPORT

DIRECTORS' REPORT

Dear Shareholders,

The Directors present the FIFTEENTH ANNUAL REPORT together with the Audited Statement of Account for the Financial Year 2009-10 ended on 31st March, 2010.

1. FINANCIAL RESULTS :

	2009-10	Rs. in Lacs 2008-09
Operating Profit / (Loss) (Before Interest & Depreciation)	52.21	44.06
Less : Interest	1.43	1.47
Profit/(Loss) before Depreciation	50.78	42.59
Less : Depreciation	25.56	21.00
Profit / (Loss) before Extraordinary items	25.22	21.59
Less : Loss on Sale of Investment / written off Advances	-	-
Profit / (loss) before Tax	25.22	21.59
Less : Provision for Taxation	8.00	6.95
Add/Less : Deferred Tax Assets/provision	(0.60)	0.12
Net Profit / (Loss) after Tax	17.82	14.52
Less : Prior Period Adjustment	-	0.62
Less : Short or excess provision of taxation of earlier year	0.64	-
Less: Extra Ordinary Items	-	2.63
Add: Balance brought forward from previous year	16.37	5.10
Profit / (Loss) carried to Balance Sheet	33.54	16.37

2. DIVIDEND:

In view of insufficient profits earned during the year under review and also to conserve the resources for the expansion of the activities and working capital requirement of the Company, the Board of Directors have not recommended dividend for the year under the review.

3. OPERATIONS:

The Company is in the business of Bread, Bakery products and Confectionaries. The Company has franchisee agreement with Unilever Limited for manufacturing and marketing of Modern Bread in Gujarat. Your Company has also started to develop its own products and presently such development is in the bakery related items like toast, khari and biscuits. Your company has set up a new unit for Bread and other bakery related products at Jaipur (Rajasthan) on lease basis and has commenced its commercial production from 21st July, 2010. The Bread which is being manufactured at Jaipur Unit is launched in the Jaipur and nearby market with the name "Nimbus". This new unit is having total production capacity of 1,10,00,000 breads per annum. The Company is also planning to set-up 25 retail outlets at Jaipur City as "Live Bakery Shop" and also exploring the opportunity to enter into new territory. The details of such developments will be informed to you from time to time.

The Company Earned Operating Profit of Rs.52.21lacs during 2009-10. As the Company had to provide for interest of Rs.1.43 lacs during the year under review, the Profit before Depreciation stood at Rs.50.78 lacs during the year under review. The Company provided Rs. 25.56 lacs for Depreciation and, therefore, Profit before tax stood at Rs.25.22 lacs during the year under review. After taking into account Provision for taxation, Deferred Tax Assets and prior period adjustments, extra ordinary items the Net Profit for the year under review stood at Rs. 16.37 lacs.

4. FUTURE PLANS :

Your directors are continuously looking for the expansion of the business of the Company and for that as explained earlier the Board is looking for expansion into its present business by acquiring control over other bakery manufacturing companies. The Board is also looking for expansion into snacks industry and for that presently concentrating on various types of Namkeen, chips and other fried snacks.

5. DIRECTORS :

One of your Director .Mr. Shyamkishore Dehlwala retires by rotation in terms of Articles 137, 138 and 139 of the Articles of Association of the Company, He however, being eligible, offers himself for reappointment.

6. DIRECTORS RESPONSIBILITY STATEMENT :

Pursuant to the requirement of Section 217 (2AA) of the companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:

NIMBUS FOODS INDUSTRIES LIMITED

- (i) That in the preparation of the annual accounts, the applicable accounting Standards have been followed along with proper explanation relating to material departures.
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at 31st March, 2010 being end of the financial year 2009-10 and of the Profit of the Company for the year.
- (ii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iii) that the Directors have prepared the annual accounts on a going concern basis.
- 7. DEMATERIALISATION OF EQUITY SHARES :**
To facilitate holding of securities in dematerialised / electronic form, the Company has entered into agreements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Thus, shareholders have an option to dematerialise their shares with either of the depositories. The ISIN No. allotted is INE301B01020.
- 8. LISTING :**
The Equity shares of the Company are listed on Ahmedabad and Bombay Stock Exchanges. The Company has paid Annual Listing Fees of Bombay Stock Exchange Ltd. up to the year 2010-11 and listing fees of Ahmedabad Stock Exchange is outstanding. The Company is regular in complying with the Listing Agreement entered into with the Stock Exchange.
- 9. COMPLIANCE CERTIFICATE :**
The Company has obtained Compliance Certificate under the provisions of section 383A of the Companies Act, 1956 from M/s Khandelwal Devesh & Associates, Company Secretaries and the same is attached with this Report as annexure.
- 10. CORPORATE GOVERNANCE :**
The Report on Corporate Governance required under Clause 49 of the Listing Agreement is annexed.
- 11. GENERAL :**
- 11.1 INSURANCE :**
The Company's properties continue to be adequately insured against risks such as fire, riot, strike, civil commotion, malicious damages etc.
- 11.2 AUDITORS :**
The present Auditors of the Company M/s. B.S.Rajput & Associates, Chartered Accountants', Ahmedabad were appointed as Auditors and will retire at the ensuing Annual General Meeting. M/s. B.S. Rajput & Associates, Chartered Accountants, have submitted certificate for their eligibility for appointment under Section 224(1B) of the Companies Act, 1956. The notes and remarks of Auditors' are self-explanatory. The specific remarks of the Auditors for non-provision of depreciation of Rs.25,267/- and Related Party Disclosure as per Accounting Standard-18 have been explained in the notes on accounts for the year 2009-10 under para 13 and 14 respectively.
- 11.3 PARTICULARS OF EMPLOYEES :**
There is no person drawing remuneration requiring disclosure under Section 217(12-A) of the Companies Act, 1956.
- 11.4 DEPOSITS :**
During the year the Company has not accepted any deposit to which the provisions of section 58A of the Companies Act, 1956 are applicable.
- 12. PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 IS AT ANNEXURE-I:**
- 13. ACKNOWLEDGEMENT :**
Your Directors express their sincere gratitude for the assistance and co-operation extended by promoters, Banks, Government Authorities, Employees and Shareholders.

For and on behalf of the Board,

Place : Ahmedabad
Date : 9th August 2010

VISHNU SHARMA
Chairman & Managing Director

FIFTEENTH ANNUAL REPORT

ANNEXURE TO DIRECTOR'S REPORT :

1. CONSERVATION OF ENERGY:

- A. Energy Conservation measures taken: The Company gives top most priority to energy conservation and has undertaken continues measures in this respect which has shown positive result. New measures are planned to achieve further reduction in energy consumption.
- B. Additional investment and proposal if any being implemented for reduction in consumption of energy : NIL
- C. Energy consumption in terms of electricity, LDO and Gas has been reduced.
- D. Total energy consumption and energy consumption per unit of production: **Form A is annexed.**

2. TECHNOLOGY ABSORPTION:

- A. **Adoption and innovation:** Only the latest technology has been adopted in the Company.
- B. **Research and Development (R & D):** NIL

3. FOREIGN EXCHANGE EARNINGS AND OUT GO : NIL

FORM - A

Disclosure of particulars with respect to Conservation of Energy

A. POWER AND FUEL CONSUMPTION

Particulars	2009-10	2008-09
Electricity :		
Purchased Units (kwh/lacs)	1.26	1.5352
Total Amount (Rs, in Lacs)	7.50	9.11
Rate / Unit (Rs.)	5.95	5.94
LDO : (Light Diesel Oil)		
Purchased (Ltr./ lacs)	NIL	NIL
Total Amount (Rs, in Lacs)	NIL	NIL
Rate / Ltr (Rs.)	NIL	NIL
GAS :		
Total Calorific / lacs	1.29	1.23
Total Amount (Rs, in Lacs)	27.59	37.36
Rate / Ltr (Rs.)	21.42	30.46

B. CONSUMPTION PER UNIT OF PRODUCTION :

Production of Bread (Kg)	2700422	2667661
Total Consumption Cost per Kg	1.42	1.74

For and on behalf of the Board,

Place : Ahmedabad
Date : 9th August 2010

VISHNU SHARMA
Chairman & Managing Director

NIMBUS FOODS INDUSTRIES LIMITED

Co. Reg. No. : L30006GJ1995PLC025631

Nominal Capital: Rs. 9,20,00,000/-

COMPLIANCE CERTIFICATE

To,
NIMBUS FOODS INDUSTRIES LTD.
Ahmedabad.

We have examined the registers, records, books and papers of **NIMBUS FOODS INDUSTRIES LTD.**, as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2010**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and all entries have been duly recorded.
2. The company has duly filed forms and returns as stated in Annexure "B" to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under and with additional fees in case of delay, if any.
3. The Company being Limited Company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met Six times on 30/04/2009, 31/07/2009, 31/08/2009, 31/10/2009, 30/01/2010 and 26/03/2010 in respect of said meetings proper notices were given and proceedings were properly recorded and signed in the Minute Book maintained for the purpose. No circulation resolutions were passed during the year under consideration.
5. To update the Register of Members for the purpose of AGM, the company has closed its Register of Members and Share Transfer Books from 25/09/2009 to 30/09/2009 (both days inclusive).
6. The Annual General Meeting for the financial year ended on 31/03/2009 was held on 30/09/2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the minute book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the year.
8. As informed by the Management, during the year under review, the Company has advanced to firms or companies referred to under section 295 of the Act and complied with the provisions of the Act.
9. The company has duly complied with the provisions of section 297 of the Act in respect of the contracts specified in that section.
10. As per auditor's report the Company has taken loan from the Companies covered in the register maintained under section 301 of the Companies Act, 1956 and the Company has complied with the necessary provisions of the Act.
11. No transaction was entered into by the Company during the year requiring approval under section 314 of the Act.
12. No Duplicate share certificate was issued during the year.
13. The Company has;
 - i) delivered all the share certificates lodged with it for transfer in accordance with the provisions of the Act;
 - ii) not declared any dividend for the Year ended on 31.03.2010;
 - iii) not required to post warrants to any members of the Company as no dividend was declared during the year;
 - iv) no such unclaimed / unpaid amount required to be transferred to Investors Education and Protection Fund;
 - v) duly complied with the requirements section 217 of the Act.
14. The Board of Directors of the company is duly constituted. The Company has appointed Mr. Bhaychand G. Prajapati as a director during the year and Mr. Pankaj J. Bulani resigned from the Board of Directors of the Company during the year. Apart from this there was no appointment of alternate directors and directors to fill casual vacancy during the financial year.
15. The Company has appointed Mr. Amit J. Sharma (Khaksa) as Joint Managing Director during the financial year under review and has complied with the relevant provisions of the Companies Act, 1956.
16. No sole selling agent was appointed during the year.

FIFTEENTH ANNUAL REPORT

17. The Company was not required to obtain necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authority as may be prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any equity shares, debentures and other securities during the financial year.
20. The Company has not bought back any shares during the year.
21. The Company has not issued any preference shares/debentures and therefore redemption of the same does not arise.
22. The Company has not kept any rights to dividends or right/bonus shares in abeyance during the year.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The borrowings of the Company are within the limits as prescribed under section 293(1) (d) of the Act.
25. The Company has made loan or advances or made investments or given guarantee or provided securities to other bodies corporate and consequently entries have been made in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum of Association with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum of Association with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of Memorandum of Association with respect to the name of the company during the year under scrutiny.
29. The company has not altered provisions of Memorandum of Association with respect to the Share Capital of the company during the year under scrutiny.
30. The company has not altered Articles of Association during the year under scrutiny.
31. As per the information provided by the management of the company, no prosecutions were initiated against the company and no show-cause notices were received by the company for alleged offences under the Act and no fines, penalties and punishments were imposed on the company in any cases as per information and explanations received from the management.
32. The company has not received any money as security from its employees during the year under certification.
33. As per the information provided by the management of the company, it has generally deposited both employees' and employer's contributions to Provident Fund with prescribed authorities within the time limits pursuant to section 418 of the Act.

For, **Khandelwal Devesh & Associates**
Company Secretaries

Place : Ahmedabad
Date : 9th August 2010

Devesh Khandelwal
Proprietor
M.No. : 12372
COP No. : 4202

NIMBUS FOODS INDUSTRIES LIMITED

Annexure A Registers as maintained by the Company:

1. Members Register u/s 150 of the Act.
2. Share Transfer Register u/s 111A of the Act.
3. Directors Register u/s 303 of the Act.
4. Register of Directors Holding u/s 307 of the Act.
5. Register of Contracts u/s 301 of the Act.
6. Register of Disclosure by Directors u/s 301(3) of the Act.
7. Board Meeting Minutes and General Meeting Minutes.
8. Register of Investments u/s 372A of the Act.
9. Fixed Assets Register.
10. Register of Charges.

Annexure B

Forms and returns as filed by the company with the Registrar of Companies, Regional Director, central Government or other Authorities during the Financial Year ending on 31st March, 2010

Sr. No	Description of Document	Filed under Section	Date of Filing and SRN No.	Whether filed under prescribed time (Yes/No)	If delay in filing whether requisite additional fee paid
1	Form 20B (Annual Return -2008-09)	159	29/01/2010, P45302791	No	Yes
2	Form 23AC and 23ACA (Balance Sheet - 2008-09)	210	30/01/2010, P45403169	No	Yes
3	Form 66 (2008-09)	383A	29/01/2010, P45303559	No	Yes
4	Form 32 for appointment of Bhaychand G Prajapati as additional director and cessation of Panakj M Bulani	303(2)	30/01/2010 A45403169	No	Yes
5	Form 32 for appointment Bhaychand G Prajapati as Director	303(2)	26/12/2009 A75362731	No	Yes
6	Form 32 for Change of designation of Amit M Bulani	303(2)	30/01/2010 A77507366	No	Yes
7	Form 23	192	29/01/2010, P77378354	No	Yes

For, **Khandelwal Devesh & Associates**
Company Secretaries

Place : Ahmedabad
Date : 9th August 2010

Devesh Khandelwal
Proprietor
M.No. : 12372
COP No. : 4202

FIFTEENTH ANNUAL REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

a. Industry Structure and Developments:

The core area of the Company is Bakery products like Bread, Toasts, Biscuits and Confectionery products. The Bakery and Confectionery industry is a fast growing industry and have a very good future potential. The Company is having manufacturing and marketing of Bread in the Brand name of "MODERN" and for that the Company is having Franchise Agreement with Hindustan Uniliver Ltd. in the state of Gujarat. The Company is also manufacturing and marketing various other bakery products except bread in the Brand name of "WOODOO" for the state of Gujarat. The Company has set up a new unit for Bread and other bakery related products at Jaipur (Rajasthan) on lease basis and has commenced its commercial production from 21st July, 2010. The Bread which is being manufactured at Jaipur Unit is launched in the Jaipur and nearby market with the name "Nimbus". This new unit is having total production capacity of 1,10,00,000 breads per annum. The Company is also planning to set-up 25 retail outlets at Jaipur City as "Live Bakery Shop" and also exploring the opportunity to enter into new territory. The details of such developments will be informed to you from time to time.

b. Opportunities and Threats:

The management sees major opportunity in food industry. The food industry is growing fast and becoming organised sector. Entry of so many big retail chains giving boost to the food industry to grow. The Management sees very good business opportunity by entering into live bakery shop in retail format, therefore exploring various possibilities of it and will up-date shareholders for any development.

The food industry is very competitive and due to volatility in commodities, which are major raw material of food industry, the industry is facing pressure on margin. Smaller players in the industry are also facing tough competition from big and organised players.

c. Segmentwise Performance:

The Company's primary business is bakery and confectionery. The food related products of the Company incorporate product group's viz. Bakery and Confectionery which have similar risks and returns and are in one segment only.

d. Recent Trend and Future Outlook:

The market seems to be looking up and companies have forecasted higher spending in increasing production and setting up retail outlets. We expect to perform better in coming years.

e. Risks and Concerns:

Like any other industry Food and specially Bakery and Confectionery Products are also exposed to risk of competition. Volatility in prices of commodities like wheat, Maida etc. also increase risks of profit margin as increase in prices of final product is governed by so many factors. Therefore it is not easy to increase the price of final products. The Company is taking necessary steps to safeguards itself from the volatility of commodity prices.

f. Internal Control Systems and their Adequacy:

The Company has adequate systems of internal Controls commensurate with its size and operations to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, reduction and detection of fraud and error, adequacy and completeness of the accounting records and timely preparation of reliable financial information.

g. Financial Performance with respect to Operational Performance:

The Financial performance of the Company for the year 2009-10 is described in the Directors' Report under the head operations.

h. Material Developments in Human Resources and Industrial Relations Front:

Your Company has undertaken certain employees' Development initiatives which have very positive impact on the moral and team spirit of the employees. The Company has continued to give special attention to Human Resources/ Industrial Relations development. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out etc.

i. Cautionary Statement:

Statement in this Management Discussion and Analysis Report, Describing the Company's objectives, estimates and expectations may constitute Forward Looking Statements within the meaning of applicable laws or regulations. Actual results might differ materially from those either expressed or implied.

Place : Ahmedabad
Date : 9th August 2010

For and on behalf of the Board,
VISHNU SHARMA
Chairman & Managing Director

NIMBUS FOODS INDUSTRIES LIMITED

REPORT ON CORPORATE GOVERNANCE

INTRODUCTION:

Corporate Governance is important to build confidence and trust which leads to strong and stable partnership with the Investors and all other Stakeholders. The detailed Report on implementation of Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with the Stock Exchange/s is set out below.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is an integral part of the philosophy of the Company in its pursuit of excellence, growth and value creation. The Company recognize the strong Corporate Governance is indispensable for safeguarding the interest of shareholders and other stakeholders.

The Company's philosophy on Corporate Governance lays strong emphasis on transparency, accountability and ability. The Company has implemented the mandatory requirements of the Code of Governance as mentioned in Clause 49 of the Listing Agreement. The Compliance Report of the Company vis-a-vis the Stock Exchange Listing Agreement is presented below.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

Name of Directors	Category of Directorship	No. of other Director ships	Committee (1)Membership/ (2)Chairmanship in other companies	No. of Board Meetings attended out of 6	Attendance at the AGM held on 30 th September, 2009 Yes(Y)/No(N)
Vishnu Sharma Chairman & Managing Director	Executive Promoter	4*	-	6	Y
Amit Khaksa	Executive Promoter	-	-	6	Y
Deepak Sharma	Non Executive Independent	-	-	6	Y
Bhaychand G. Prajapati	Non Executive Independent	-	-	4	Y
Shyamkishore Delhiwala	Non Executive Independent	-	-	5	Y

* Private companies excluded.

b) Details of the Directors seeking Reappointment in the Annual General Meeting :

Brief resume of the Director seeking re-election at the 15th Annual General Meeting

Name	Mr. Shyamkishore Delhiwala
Age (Date of Birth)	04-10-1938
Date of Appointment	26/04/1995
Qualification and experience in specific functional area	Undergraduate, having more than 40 years of experience of administration and finance
Directorship held in other companies	—
Chairman/Member of the Committees of the Board of Directors of the Company	—
Membership/Chairmanships of Committee in other Public Companies	—

FIFTEENTH ANNUAL REPORT

c) Board Procedures:

The Board of Directors meets at least once a quarter to review the performance and Financial Results. A detailed agenda file is sent to all Directors well in time of the Board Meetings. The Chairman/Director briefs the Directors at every Board Meeting about the overall performance of the Company. All major decisions/Approvals are taken at the Meeting of the Board of Directors such as policy formation, Business plans, budgets, investment opportunities, Statutory Compliance etc. The meeting of the Board of Directors during the financial year 2009-10 were held on 30/04/2009, 31/07/2009, 31/08/2009, 31/10/2009, 30/01/2010 and 26/03/2010.

3. AUDIT COMMITTEE:

The Audit Committee consists of the following Directors:

Name of the Directors	Expertise	Functions of the Committee	Attendance
Bhaychand G. Prajapati (Chairman)	Majority members are Non-executive and Independent Directors including Chairman. The Chairman has thorough financial and accounting knowledge.	The functions of the Audit Committee are as per Company Law and Listing Agreement with Stock Exchange(s) which include approving and implementing the audit procedures, review of financial reporting system, internal control procedures and risk management policies.	All the members constituting Audit Committee at respective times were present at the meeting held on 29-04-2009, 29-07-2009, 30-08-2009, 30-10-2009 & 31-01-2010
Amit Khaksha (Member)			
Deepak Sharma (Member)			

4. REMUNERATION COMMITTEE:

The Board Committee is vested with the responsibilities to function as per SEBI Guidelines and Companies Act, 1956 and recommends to the Board compensation package for the Managing Director and Joint Managing Director. It also reviews from time to time the overall Compensation structure and related policies with a view of attract, motivate and retain employees.

The Committee consists of the following Directors as members :

1. Deepak Sharma, Chairman - Non Executive Independent
2. Bhaychand G. Prajapati - Non Executive Independent
3. Amit Khaksa, Member - Executive - Promoter

All the members constituting remuneration committee at respective times attended the meetings held on 16-06-2009, 30-08-2009 & 22-02-2010.

Details of remuneration paid:

1. Shri Vishnu Sharma, Managing Director was paid Rs.4,50,000/- as managerial remuneration during the year 2009-10.
2. Shri Amit Khaksa, Joint Managing Director was paid Rs. 2,50,000/- as remuneration during the year 2009-10.
3. No Sitting Fees, Commission of Stock Option has been offered to the Directors.

5. SHAREHOLDERS/INVESTORS' GRIEVANCES COMMITTEE:

The Board has constituted Shareholders/Investors' Grievances Committee for the purpose of effective redressal of the complaints of the shareholders such as Dematerialisation, share Transfer, Non-receipt of Balance Sheet etc.

Shri Amit Khaksa, Chairman and Shri Vishnu Sharma are members of the Committee.

The Company received NIL complaints during the year. There was no valid request for transfer of share pending as on 31st March, 2010.

Shri Amit Khaksa, Managing Director is the Compliance Officer for the above purpose.

6. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2006-07	24-09-2007	12 Noon.	Plot No. B-13/14/15, Phase – II, GIDC Industrial Area, Naroda, Ahmedabad - 382 330.
2007-08	20-09-2008	12 Noon.	
2008-09	30-09-2009	12 Noon.	

NIMBUS FOODS INDUSTRIES LIMITED

In last AGM the Company has passed two special resolutions regarding (1) Change of Terms of Appointment of Mr. Vishnu Sharma, Managing Director by increasing salary and (2) Appointment of Mr. Amit Khaksa as Joint Managing Director. Except that there was no special resolution passed by the Company at the previous AGM. Pursuant to the provisions of Sections 192 A of the Companies Act, 1956, there was no matter during the year 2009-10, required to be dealt by the Company to be passed through postal ballot.

7. DISCLOSURES:

- (a) The Company has not entered into any transaction of material nature with the Promoters, the Directors or the Management that may have any potential conflict with the interest of the Company. The Company has no subsidiary.
- (b) There was neither been any non-compliance of any legal provision of applicable law, nor any penalty, stricture imposed by the Stock Exchange/s or SEBI or any other authorities, on any matters related to Capital Market during the last three years.

8. MEANS OF COMMUNICATIONS:

- (a) In compliance with the requirements of the Listing Agreement, the Company regularly intimates Unaudited/ Audited Financial Results to the Stock Exchange/s immediately after they are taken on record by the Board of Directors. These Financial Results are normally published in Economics Times (English and Gujarati).
- (b) During the year ended on 31st March, 2010, no presentation was made to institutional investors or analyst or any other enterprise.
- (c) Management Discussion and Analysis form part of the Annual Report.

9. SHAREHOLDERS' INFORMATION:

- a) Registered Office : Plot No. B-13 & 14, Phase – II, GIDC Industrial Area, Naroda, Ahmedabad–382 330.
- b) Annual General Meeting :
Day : Saturday
Date : 25th September, 2010
Time : 10:15 A.M.
Venue : At the Registered Office of the Company at:
Plot No. B-13 & 14, Phase – II, GIDC Industrial Area, Naroda, Ahmedabad–382 330.
- c) Financial Calendar (Tentative) :
1st Quarter Results : End July, 2010.
Half-yearly Results : End October, 2010.
3rd Quarter Results : End January, 2011.
Yearly Results (Un-audited) : End May, 2011.
- d) Book Closure Dates :
From : Tuesday, the 21st September 2010
To : Saturday, the 25th September, 2010
(Both days inclusive).
- e) Dividend Payment Date : Not applicable.
- f) Listing of Shares on Stock Exchanges :
 1. Ahmedabad Stock Exchange Limited, Kamdhenu Complex, 1st Floor, Opp. Sahajanand College, Panjara Pole, Ambawadi, Ahmedabad - 380 015.
 2. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001.

FIFTEENTH ANNUAL REPORT

g) Stock Exchange Code	:	Stock Exchange	Code
		ASE	36004
		BSE	531598

h) Registrar and Share Transfer Agents :

The Company has appointed the below mentioned agency as Registrars and share Transfer Agents (RTA) for both physical and Demate Segment of Equity Shares of the Company :

M/s. SHAREPRO SERVICES (INDIA) PVT. LTD.

416-420, 4th.Floor, Devnandan Mall,
Opp. Sanyash Ashram, Ellisbridge,
AHMEDABD – 380006
Tel No. 079-26582381/82/83/84
Fax No. 079-26582385

Email: sharepro@shareproservices.com

- i) Share Transfer System: Securities lodged for transfer at Registrar's address are normally processed within 15 days from the date of lodgement, if documents are clear in all respects. Request for dematerialization of securities are processed and confirmation is given to the depositories within 15 days.
- j) Stock Price Data: the shares of the Company have been traded at the Bombay Stock Exchange during 1st April, 2009 to 31st March, 2010. The information of Stock Price data are submitted here under:

Month	BSE		
	High (Rs.)	Low (Rs.)	Shares Traded (No.)
April, 2009	2.45	1.92	1,17,196
May, 2009	3.24	1.73	2,40,777
June, 2009	7.20	3.25	18,17,279
July, 2009	7.68	4.36	3,81,642
August, 2009	4.56	3.62	1,33,959
September, 2009	4.74	3.26	2,90,841
October, 2009	4.74	3.15	3,91,460
November, 2009	4.17	3.02	2,14,788
December, 2009	3.93	3.00	2,21,622
January, 2010	3.85	2.70	2,66,889
February, 2010	6.48	2.66	19,05,870
March, 2010	4.40	3.06	4,40,258

k) Distribution of Shareholding as on 31st March, 2010:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares held	% of Shareholding
Upto 5000	3334	90.92	3851237	8.41
5001 to 10000	169	4.61	1146300	2.50
10001 to 20000	59	1.61	813204	1.78
20001 to 30000	39	1.06	996146	2.17
30001 to 40000	7	0.19	255185	0.56
40001 to 50000	14	0.38	628253	1.37
50001 to 100000	19	0.52	1186098	2.59
100001 to Above	26	0.71	36934657	80.62
Grand Total	3667	100	45811080	100

NIMBUS FOODS INDUSTRIES LIMITED

l) Category of Shareholders as on 31st March, 2010:

Category	No. of Shares held	% of Shareholding
Promoters & PAC	3,36,06,400	73.362
Financial Institutions/Banks	-	-
Mutual Fund	-	-
Bodies Corporate	23,20,849	5.06
NRIs	4160	0.01
Public	9879671	21.57
Grand Total	45811080	100.00

m) Outstanding GDRs/ADRs/Warrants:

The Company has not issued any GDRs/ADRs.

n) Dematerialisation of Shares :

The Company has entered into Agreement with NSDL/CDSL for Dematerialisation of Shares. The Company's equity shares are compulsorily traded in dematerialized form. As on 31st March, 2010, a total of 90,67,759 Shares of the Company which is 19.79% of the Share Capital of the Company stands dematerialised.

10. OFFICE & PLANT LOCATION:

The Company's Office and Ahmedabad Plant is located at

Plot No. B-13 & 14, Phase – II,
GIDC Industrial Area, Naroda, Ahmedabad–382 330.

Jaipur (Leased) Plant is located at

E-421/422, Road No. 17, Nr. Kailash Canteen,
V.K.I. Area, Jaipur - 302023.

11. ADDRESS FOR CORRESPONDENCE:

SHAREPRO SERVICES (INDIA) PVT. LTD.

416-420, 4th.Floor, Devnandan Mall,

Opp. Sanyash Ashram, Ellisbridge,

AHMEDABD – 380006

Tel No. 079-26582381/82/83/84

Fax No. 079-26582385

Email: sharepro@shareproservices.com

For any assistance regarding correspondence dematerialisation of shares, share transfers, transactions, change of address, non-receipt of dividend or any other query, relation to shares:

Registered Office: Plot No. B-13 & 14, Phase – II, GIDC Industrial Area, Naroda, Ahmedabad–382 330.

Telephone Nos.: (079) 2281 3445

Fax No. : (079) 2281 4023

E-mail : nimbusfoods@gmail.com

Compliance Officer : Mr. Amit Khaksa, Joint Managing Director.

For and on behalf of the Board,

Place : Ahmedabad
Date : 9th August 2010

VISHNU SHARMA
Chairman & Managing Director

FIFTEENTH ANNUAL REPORT

AUDITORS' CERTIFICATE

To The Members of Nimbus Foods Industries Ltd., Ahmedabad

We have examined the compliance of conditions of corporate governance by **Nimbus Foods Industries Limited**, Ahmedabad for the year ended on 31st March, 2010 as stipulated in Clause 49 of the listing agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all materials respects with the conditions of corporate governance as stipulated in the above-mentioned listing agreement.

As per representation received from the Registrars of the Company, we state that as per records maintained by the Shareholders' / investors' Grievance Committee, no investor grievance remaining unattended / pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B. S. RAJPUT & ASSOCIATES
Chartered Accountants

Place : Ahmedabad
Date : 9th August 2010

BHUPENDRASINGH RAJPUT
Partner
M. No. : 106729

DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR

Sub. Code of Conduct – Under Clause 49 {10(D)}

This is to certify that:

In pursuance of the provisions of Clause 49(I) (D) of the Listing Agreement, a Code of Conduct for the Board Member and Senior Management and for the Part-time is in Place.

The said Code of Conduct has been circulated to the Board Member and the Senior Management Personnel of the Company; and,

All Board Member and Senior Management and Part-time Directors have affirmed compliance of the said Code of Conduct, for the year ended March 31, 2010

For and on behalf of the Board

Place : Ahmedabad
Date : 9th August 2010

VISHNU SHARMA
Chairman & Managing Director

NIMBUS FOODS INDUSTRIES LIMITED

AUDITORS' REPORT

To
The members of
NIMBUS FOODS INDUSTRIES LIMITED

1. We have audited the attached Balance Sheet of **Nimbus Foods Industries Limited** as at 31st March, 2010 and the Profit and Loss Account of the Company for the year ended on 31st March, 2010 annexed thereto and report thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and other Companies (Auditors Report) order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act., 1956 and in terms of information and explanation given to us and also on the basis of such checks as we considered appropriate, we give in the Annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to above, we report that :
 - i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - ii) In our opinion, proper books of accounts, as required by Law, have been kept by the Company so far as appears from our examination of the books.
 - iii) The Balance Sheet and Profit and Loss Account, dealt with by this report, are in agreement with the books of Accounts.
 - iv) In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standard referred to in Sec. 211(3) (C) of the Companies Act.,1956, as amended by the Companies (Amendment) Act.,1999.
 - v) On the basis of the written declaration received from the directors and taken on record by the board of directors, we report that none of the Directors of the Company is disqualified as at 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act., 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information as required by the Companies Act.,1956, in the manner so required and give a True and Fair view in conformity with the accounting principles generally accepted in India subject to :
 - (i) Re: Non-Provision of depreciation amounting to Rs. 25,267/- As required by Accounting Standard(AS-6) " Depreciation Accounting" issued by the Institute Of Chartered Accountants Of India which results in the under statement of loss to the tune of Rs.25,267/- (Please refer note no.: 13)
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March,2010 and
 - b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - c) In the case of the Cash Flow statement, of the cash flows for the year ended on that date.

For B. S. RAJPUT & ASSOCIATES
Chartered Accountants

Place : Ahmedabad
Date : 09/08/2010

BHUPENDRA SINGH RAJPUT
Partner
M.No.: 106729

FIFTEENTH ANNUAL REPORT

ANNEXURE TO THE AUDITORS' REPORT

To

The members of

NIMBUS FOODS INDUSTRIES LIMITED

Referred to in paragraph 3 of our report of even date.

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have been physically verified by the management during the year and also there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c) According to information and explanation given to us the company has not disposed off substantial parts of fixed assets during the year.
- (ii) a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.
- (iii) a) The company has taken loan of Rs. 10.63 lacs from six parties in earlier years which is covered in the register maintained under section 301 of the Companies Act., 1956. During the year under consideration the Company is also taken further loans from two parties amounting to Rs. 2.00 lacs. The year-end balance of loans taken from such parties was remaining Rs. 12.63 lacs. During the year under consideration the company given the advances amounting to Rs. 99.34 lacs against supply of goods and services to such related parties which is covered in the register maintained under section 301 of the Companies Act, 1956.
 - b) In our opinion, the rate of Interest is NIL and other terms and condition on which loans have been taken / granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act.,1956 are not , prima facie , prejudicial to the interest of the Company.
 - c) The Company is regular in repaying amounts as stipulated and has been regular in the payments
 - d) According to the information and explanation given to us there is no overdue amounts of loans taken or granted to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act., 1956
- (iv) In our opinion and according to the information and explanations given to us there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (v) a) According to the information and explanations given to us, we are of the opinion that the Transactions that need to be entered into the register maintained under section 301 of the Companies Act. 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contract or arrangements entered in the register maintained under section 301 of the Companies Act., 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from public and hence directives issued by the Reserve Bank of India and provisions of Section 58A and 58AA of the Companies Act, 1956 and the rules framed there under are not applicable for the year under audit.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed maintenance of cost records under 209(1)(d) of the Companies Act.,1956 .

NIMBUS FOODS INDUSTRIES LIMITED

- (ix) a) According to the records of the Company the company is regular in depositing with appropriate authorities undisputed statutory dues including employees' state insurance, income tax, sales tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, custom duty, excise duty and cess were in appears, as at 31st March, 2010 for a period of more than six months from the date they became payable.
- (x) In our opinion, the company has no accumulated losses and has not incurred cash loss during the year.
- (xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayments of its dues to banks or financial institution.
- (xii) The company has not granted any loans or advances on the basis of securities by the way of pledge on shares, debentures or other securities.
- (xiii) In our opinion the company is not a chit fund or a nidhi, mutual benefits fund society. Therefore the provisions of clause 4(xiii) of the Companies (Auditors report) order, 2003 are not applicable to the company.
- (xiv) In our opinion the company is not dealing in trading of shares, securities, debenture, or the investments and hence requirement of clause 4(xiv) of the Companies (Auditors report) order, 2003 are not applicable to the company.
- (xv) According to the information and explanation given to us the company has not given any guarantee for loan taken by other from banks and financial institutions.
- (xvi) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment. No long-term fund has been used to finance short-term assets except permanent working capital.
- (xviii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act., 1956.
- (xix) No debentures have been issued by the company and hence, the question of creating securities in the respect thereof does not arise.
- (xx) The company has not raised any money by way of public issue during the year.
- (xxi) Accordingly to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For B. S. RAJPUT & ASSOCIATES
Chartered Accountants

Place : Ahmedabad
Date : 09/08/2010

BHUPENDRA SINGH RAJPUT
Partner
Mem. No. 106729

FIFTEENTH ANNUAL REPORT

BALANCE SHEET AS AT 31ST MARCH, 2010

PARTICULARS	SCHEDULE	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
SOURCES OF FUNDS			
Share Capital	1	45,811,080	45,811,080
Reserves & Surplus	2	5,586,993	3,869,294
Secured Loans	3	879,723	902,823
Unsecured Loans	4	1,358,343	1,185,765
Deferred Tax Liability		4,680	65,130
	Total	53,640,819	51,834,092
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	29,759,946	28,573,727
Less : Depreciation		8,731,796	6,175,646
Net Block		21,028,149	22,398,080
Investments	6	5,000,000	5,000,000
Current Assets, Loans & Advances			
Inventories	7	5,774,236	5,339,089
Sundry Debtors	8	4,951,567	5,601,172
Cash & Bank balances	9	12,711,820	3,032,594
Loans & Advances & Deposits	10	19,385,275	20,164,691
		42,822,897	34,137,546
Less : Current Liabilities & Provisions	11	15,695,467	10,179,136
NET CURRENT ASSETS		27,127,430	23,958,411
Miscellaneous Expenditure (to the extent not written off or adjusted)	12	---	---
Deferred Revenue Expenditure		485,239	477,601
	TOTAL	53,640,819	51,834,092
NOTES FORMING PART OF ACCOUNTS OF BALANCE SHEET	"21"		

In terms of our report of even date

For B. S. RAJPUT & ASSOCIATES
Chartered Accountants

(Bhupendrasingh Rajput)
Partner

Place : Ahmedabad
Date : 9th August, 2010

On behalf of the Board of Directors
Nimbus Foods Industries Limited

Vishnu Sharma
Managing Director

Place : Ahmedabad
Date : 9th August, 2010

Amit Khaksa
Joint Mg. Director

NIMBUS FOODS INDUSTRIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	2009-10 Rs.	2008-09 Rs.
INCOME			
Sales	13	84,666,262	82,822,639
Other Income	14	407,918	301,362
Increase / (Decrease) in Stock	15	435,147	1,614,225
TOTAL		85,509,326	84,738,226
EXPENDITURE			
Purchases	16	60,966,318	60,922,916
Direct Expenses	17	6,530,562	5,706,008
Administrative & other expenses	18	9,036,361	10,902,962
Payment & Provision for Employees	19	2,995,705	2,551,902
Director's Remuneration		700,000	196,000
Interest & Financial Charges	20	143,064	146,861
Preliminary & Pre-op. Exp. (w/o)	12	59,812	53,067
Depreciation	5	2,556,150	2,099,835
TOTAL		82,987,971	82,579,551
Profit/(-)Loss Before Tax		2,521,355	2,158,675
Provision for Taxation		800,000	695,000
Deferred Tax		(60,450)	12,000
Profit / (-) Loss after Tax		1,781,805	1,451,675
Short or Excess Provision of Taxation of earlier year		64,106	---
Prior Period Adjustment		---	(62,020)
Extra Ordinary Items		---	(263,131)
Balance Brought Forward		1,637,122	510,598
Balance Carried to Balance Sheet		3,354,822	1,637,122
NOTES FORMING PART OF ACCOUNTS OF BALANCE SHEET	"21"		

In terms of our report of even date
For B. S. RAJPUT & ASSOCIATES
Chartered Accountants

On behalf of the Board of Directors
Nimbus Foods Industries Limited

(Bhupendrasingh Rajput)
Partner

Vishnu Sharma
Managing Director

Amit Khaksa
Joint Mg. Director

Place : Ahmedabad
Date : 9th August, 2010

Place : Ahmedabad
Date : 9th August, 2010

FIFTEENTH ANNUAL REPORT

SCHEDULES 1 TO 21 ATTACHED TO AND FORMING PART OF THE BALANCE SHEET, PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.									
SCHEDULE - 1 : AUTHORISED CAPITAL											
92,000,000 Equity Share of Re. 1/- each	92,000,000	92,000,000									
P.Y. (92,000,000) Equity Shares of Re.1/- each)	<u>92,000,000</u>	<u>92,000,000</u>									
Issued, Subscribed & Paid up											
45811080 Equity Shares of Re. 1/- each fully paid up	45,811,080	45,811,080									
P.Y. (45811080 Equity Shares of Re. 1/- each)	<u>45,811,080</u>	<u>45,811,080</u>									
SCHEDULE - 2 : RESERVES AND SURPLUS											
Capital Reserve (Net Off)	2,232,172	2,232,172									
	<u>2,232,172</u>	<u>2,232,172</u>									
Profit & Loss Account A/c	3,354,822	1,637,122									
	<u>5,586,994</u>	<u>3,869,294</u>									
SCHEDULE - 3 : SECURED LOANS											
A U Financiers (India) Pvt. Ltd. (Auto Loan)	189,927	-									
L & T Finance Ltd. (Auto Loan)	96,752	-									
Term Loan (SBBJ)	593,044	902,823									
	<u>879,723</u>	<u>902,823</u>									
SCHEDULE - 4 : UNSECURED LOANS											
From Directors	1,263,143	1,063,143									
Others	95,200	122,622									
	<u>1,358,343</u>	<u>1,185,765</u>									
SCHEDULE - 5 : FIXED ASSETS											
Particulars	Rate of Dep.%	Gross Block				Depreciation				Net Block	
		Opening Balance	Addition	Deduction	Total	Opening Balance	Addition	Deduction	Total	31.3.2010	31.3.2009
GIDC Plot	0.00%	4,215,000	-	-	4,215,000	-	-	-	-	4,215,000	4,215,000
Building	10.00%	5,245,656	-	-	5,245,656	1,107,456	413,820	-	1,521,276	3,724,380	4,138,200
Plant & machinery	13.91%	16,117,284	210,579	-	16,327,863	3,962,038	1,715,386	-	5,677,424	10,650,439	12,155,246
Computer & Printers	40.00%	1,104,928	103,650	-	1,208,578	585,394	234,390	-	819,784	388,794	519,534
Cycle	13.91%	3,100	-	-	3,100	527	358	-	885	2,215	2,573
Furniture & Fixtures	18.10%	662,448	-	-	662,448	263,727	-	-	263,727	398,721	400,035
Furniture & Fixtures *	18.10%	1,410	15,255	-	16,665	96	2,126	-	2,222	14,443	400,035
Workshop Equipment	13.91%	202,508	44,820	-	247,328	50,370	25,818	-	76,188	171,140	152,138
Office Equipment	13.91%	322,733	38,811	-	361,544	68,135	38,352	-	106,487	255,057	254,598
Electric Installation	13.91%	92,911	-	-	92,911	33,278	-	-	33,278	59,633	59,633
Motor Car	25.89%	311,000	-	-	311,000	77,871	60,357	-	138,228	172,772	233,129
A.C.	13.91%	45,002	-	-	45,002	15,918	-	-	15,918	29,084	29,084
Scooter	13.91%	54,332	-	-	54,332	4,888	6,878	-	11,766	42,566	49,444
GIDC Flat	10.00%	195,415	-	-	195,415	5,950	18,947	-	24,897	170,518	189,465
Vehicle	13.91%	-	773,104	-	773,104	-	39,718	-	39,718	733,386	-
TOTAL		28,573,727	1,186,219	-	29,759,946	6,175,646	2,556,150	-	8,731,796	21,028,149	22,798,115
PREVIOUS YEAR		24995156	4566181	987610	28573727	4433545	2099835	357734	6175647	22398080	20,561,610

NIMBUS FOODS INDUSTRIES LIMITED

PARTICULARS	As at 31-3-2010 Rs.	As at 31-3-2009 Rs.
SCHEDULE - 6 : INVESTMENT		
Unquoted		
Shri Govindam Agro Foods Pvt. Ltd. (500000 Equity Shares of Rs. 10/- each fully paid up) P.Y. (NIL allotment of shares was pending)	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
SCHEDULE - 7 : INVENTORIES		
(As valued and certified by the Directors)		
Closing Stock	5,774,235	5,339,089
	<u>5,774,235</u>	<u>5,339,089</u>
SCHEDULE - 8 : SUNDRY DEBTORS		
Unsecured, Considered Good Outstanding For More than Six Months	1,696,196	2,614,952
Others	3,255,369	2,986,220
	<u>4,951,567</u>	<u>5,601,172</u>
SCHEDULE - 9 : CASH & BANK BALANCE		
Cash on Hand	4,420,816	1,175,701
Balance in Current A/c	7,099,405	750,742
Balance in FDR A/c	1,191,599	1,106,151
	<u>12,711,820</u>	<u>3,032,594</u>
SCHEDULE - 10 : LOANS, ADVANCES & DEPOSITS :		
(Unsecured, Value to be received considered good)		
Loans & Advance	17,667,573	18,596,990
Deposits	1,717,701	1,567,701
	<u>19,385,274</u>	<u>20,164,691</u>
SCHEDULE - 11 : CURRENT LIABILITIES & PROVISION		
Sundry Creditors for Material	7,209,699	5,619,386
Sundry Creditors for Others	5,899,272	2,740,210
Provisions	845,934	712,984
Duties & Taxes	104,092	144,351
Advance received : payable in kind or cash	1,280,293	43,507
Deposit from Dealer	356,177	918,698
	<u>15,695,467</u>	<u>10,179,136</u>
SCHEDULE - 12 : MISECELLANEOUS EXPENDITURE		
(To the extent not written off or Adjusted)		
Deferred Revenue Exp.	477,601	530,668
Add : Including during the year	67,450	-
	<u>545,051</u>	<u>530,668</u>
Less : Transferred to Reconstruction A/c	-	-
Less : Written off 1/10	59,812	53,067
Balance	<u>485,239</u>	<u>477,601</u>

FIFTEENTH ANNUAL REPORT

PARTICULARS	2009-10 Rs.	2008-09 Rs.
SCHEDULE - 13 : SALES		
Sales (Net off Sales Return)	83,668,101	82,822,639
Dividend Income	998,161	-
	<u>84,666,262</u>	<u>82,822,639</u>
SCHEDULE - 14 : OTHER INCOME		
Interest and Other Income	407,918	301,362
	<u>407,918</u>	<u>301,362</u>
SCHEDULE - 15 : INCREASE/(DECREASE) IN STOCK		
Closing Stock	5,774,235	5,339,089
Less : Opening Stock	5,339,089	3,724,864
Increase / (Decrease) in Stock	<u>435,147</u>	<u>1,614,225</u>
SCHEDULE - 16 : PURCHASES		
Purchases	60,966,318	60,922,916
	<u>60,966,318</u>	<u>60,922,916</u>
SCHEDULE - 17 : DIRECT EXPENSES		
Brokerage Charge	42,015	45,008
Cleaning Exp.	136,805	76,355
Daily Wages Exp.	-	89,025
Electricity & Fuel Expenses	984,065	1,001,907
Factory Exp.	33,777	145,868
Freight & Octroi Exp.	536,491	262,090
Wages	332,703	-
Job Work Charges - Out Side Factory	1,838,425	1,765,969
Loading & Unloading Exp.	56,817	63,643
Production Charges	18,363	243,122
Rate & Difference sales	28,015	58,184
Repair to Building	264,451	60,280
Repair to Plant	488,313	253,482
Royalty Exp.	1,639,046	1,515,993
Water Charges	131,276	125,082
	<u>6,530,562</u>	<u>5,706,008</u>
SCHEDULE - 18 : INDIRECT EXPENSES		
Advertisement Expenses	101,701	85,018
Audit Fee	20,000	20,000
Bank Charges	48,528	48,891
Consultant Charges	84,015	283,510
Conveyance Exp.	151,014	201,333
CFA Exp.	-	123,214
Distribution Exp.	5,739,778	4,980,983
Donation	-	2,100
Other Factory Exp	-	38,324
Office Exp.	24,509	168,760
Forwarding Charges	1,031,484	1,605,127
Kasar & Vataw	15,286	-
Legal Charges	147,994	170,254
Membership Fees	17,942	1,685
Misc. Exp.	155,614	86,042
Misc. Repair Exp	79,322	36,706
Penalty Exp.	6,400	8,392
Postage & Courier	18,260	69,114
Freight Exp.	-	209,093
Professional Charges	154,467	161,850
Rates & Taxes	49,803	49,472
Repair to Vehicles	34,849	42,244
Security Expences	158,050	153,374
Stationery & Printing Exp.	344,501	279,930
Telephone Expenses	171,380	167,322
Travelling Exp.	306,537	150,750
Weight Charges	5,540	6,530
Rent Exp.	127,560	257,651
Distributor's Claim Exp.	-	1,495,294
Insurance Charges	26,005	-
Sales Promotion Exps.	15,839	-
	<u>9,036,361</u>	<u>10,902,962</u>

NIMBUS FOODS INDUSTRIES LIMITED

PARTICULARS	2009-10 Rs.	2008-09 Rs.
SCHEDULE - 19 : PAYMENT & PROVISION FOR EMPLOYEES		
Salary, Bonus & Allowances	2,554,954	2,219,860
Contribution to Provident and other Funds	113,255	85,525
Staff Welfare Expenses	327,496	246,517
	2,995,705	2,551,902
SCHEDULE - 20 : INTEREST & FINANCIAL CHARGES		
Interest Expenses	137,414	146,861
Loan Process Charges	5,650	-
	143,064	146,861

SCHEDULE - 21 : ACCOUNTING POLICIES AND NOTES FORMING PARTS OF THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES OF ACCOUNTING STANDARD

(a) Basis of Preparation of Financial Statement :

The financial statements have been prepared under the historical cost convention method in accordance with the generally accepted accounting principles and the provisions of the Companies act 1956. The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except in the case of significant uncertainty relating to income.

(b) Fixed Assets and Depreciation :

Fixed assets of the Company are stated at cost renewals and replacements are either Capitalized or charged to revenue, as appropriate, depending upon the nature and long-term utility of such renewals/ replacements. In respect of assets scrapped, discarded or retire during the year, the net block value of such assets is written off as a loss of discarded fixed assets. The receipts on sale of such scrapped assets are accounted as and when realized.

(c) Depreciation :

The Company has a policy of providing depreciation on fixed assets on written down basis u/s 205(2) (a) of the Companies Act, 1956 at the rates specified in schedule XIV of the said Act. However company has not provided the depreciation during the year. (Refer note no.: 13)

(d) Investment : Investment in shares of companies, quoted or unquoted are carried at cost of acquisition.

(e) Sales, Purchase and Inventories :

Sales are invoiced on delivery of goods. Purchases are accounted on the receipt of title of goods including related cost. Inventories are valued at cost including all related expenses or market value whichever is lower on FIFO Basis. Stock of Educational materials has been valued at cost.

(f) Miscellaneous Expenditure : Preliminary Expenditure is written off over ten years.

(g) Excise Duty : Excise duty is not applicable to the business in which the company is engaged.

(h) Borrowing cost : The company follows the practice of capitalizing interest on borrowing for capital expenditure up to the date the assets is put to use.

(i) Taxes on Income : Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on expected outcome of assessment /appeals.

Deferred Tax is recognized on timing difference between the accounting income and the taxable income for the year ended and quantified using the tax rates and laws enacted or substantially enacted as on the balance sheet date.

Notes on Accounts :

1. The sundry creditors, sundry debtors, unsecured loans and loans & advances are subjected to confirmation.
2. Director's Remuneration 7,00,000/- (P.Y. 1,96,000/-)

	Current Year	Previous Year
3. Auditor's Remuneration :		
Particulars	2009-10	2008-09
Audit Fees	20,000/-	20,000/-
Out of pocket Exp.	NIL	NIL

FIFTEENTH ANNUAL REPORT

4. In the opinion of the Board of Directors, the Current Assets, Loans and Advances are approximately value stated, if realised in the ordinary course of business .The provisions of all known liabilities are adequately provided and not in the excess of amount reasonably necessary. There are no contingent liabilities other than stated above.
5. The Company had been advised that the computation of net profit u/s 349 of the Companies Act., 1956 had not been made since no commission is paid / payable to the directors for the year.
6. AS- 15: In the opinion of the Board at present the company is not liable for gratuity and treatment of retirement benefit are accounted for as and when paid.
7. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (P.Y. Nil)

	2009-10	2008-09
8. C.I.F. value of imports(excluding purchase of items imported by other agencies)	Nil	Nil
9. Expenditure in foreign currency	Nil	Nil
10. Earning in foreign exchange	Nil	Nil
11. Contingent Liabilities	Nil	Nil
12. The Contribution to the defined contribution scheme such as Provident Fund etc. is charged to the Profit & Loss account as incurred. However no provision for gratuity is made during the year as the same is still not applicable to the Company.		
13. The Company has not provided the depreciation on the Fixed Assets which is with the company prior to the amalgamation of Majesty Agro Foods Pvt. Ltd. (MAFL) during the year, which shall amount to Rs.25,267/- as per method of Depreciation employed during the previous year . Accordingly the Profit of the company is understated by Rs. 25,267/-. However the depreciation on the fixed assets received from the transferor Company i.e. MAFL has been provided. The reason for non provision of depreciation on the fixed assets of the company prior to amalgamation is non utilization of the such assets during the whole year.		

14. Related Party Disclosure : As per Accounting Standard-18 (AS-18)

	Name of Related party	Relationship
a)	Shri Vishnu Sharma	- Managing Director
b)	Shri Amit Khaksa	- Director
c)	Shri Pankaj Bulani	- Director
d)	Shri Deepak Sharma	- Director
e)	Shri Shyamkishor Delhiwala	- Director
f)	Niraj S. Delhiwala	- Director's Relative
g)	Sitaram G. Sharma	- Director's Relative
h)	Hari Corporation	- Associate Concern
i)	Balaji Resources & Trading Co. Ltd.	- Associate Concern
j)	Nimbus Foods Ltd.	- Associate Concern
k)	Chinar Capital Market Pvt. Ltd.	- Associate Concern
l)	Shri Govindam Agro Foods Pvt. Ltd	- Associate Concern
m)	Nimbus Auto Fast O Forge Pvt. Ltd	- Associate Concern

List of transaction :

S.N.	Name of Party	Particulars of Transaction during the year	Amount (Rs.)
1.	Vishnu Sharma	Director's Remuneration	450000/-
2.	Amit Sharma	Salary	250000/-
3.	Amit Sharma	Unsecured Loan taken	100000/-
4.	Nimbus Foods Ltd.	Unsecured Loan taken	100000/-
5.	Nimbus Foods Ltd	Advances Given	655045/-
6.	Shri Govindam Agro Foods Pvt. Ltd	Advances Given.	3162000/-
7.	Nimbus Auto Fast O Forge Pvt. Ltd.	Advances given	105000/-

NIMBUS FOODS INDUSTRIES LIMITED

15. Quantitative detail information as required under para 3, 4C and 4D of part II of schedule VI of the Companies Act, 1956 to the extent applicable is as under:

Quantitative Information :	Current Year	Previous Year
Units	Kgs	Kgs.
Capacity :		
Bread :		
Licensed	N.A.	N.A.
Installed	N.A.	N.A.
Utilised	N.A.	N.A.
Raw Material Consumption : (Major Items)		
Raw Material Consumed		
Maida consumed	1901706	1878638
Material Consumed :		
Imported (in Rs.)	NIL	NIL
	0%	0%
Indigenous (in Rs.)	27353336/-	25382933/-
Production :	100%	100%
Bakery (Kg.)	2700422	2667661

16. **Accounting for Taxes on Income (AS-22)**

Deferred Tax Assets/ Liability are provided in accordance with Accounting Standard AS-22 issued by the Institute of Chartered Accountants of India.

17. **Details of Earnings Per Shares :**

S.No.	Particulars	2009-10	2008-09
1.	No. of Equity Shares of Re.1/- each	45811080	45811080
2.	Net Profit After Tax	17,17,699/-	11,26,524/-
3.	Basic and diluted earning per Shares	0.04	0.02

18. AS-28 : All the assets have been physically verified by the management during the year and also there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

19. The previous year's figure have been rearranged / re grouped where ever necessary.

As per our report of even date
For B. S. RAJPUT & ASSOCIATES
Chartered Accountants

On behalf of the Board of Directors
Nimbus Foods Industries Limited

(Bhupendrasingh Rajput)
Partner

Vishnu Sharma
Managing Director

Amit Khaksa
Joint Mg. Director

Place : Ahmedabad
 Date : 9th August, 2010

Place : Ahmedabad
 Date : 9th August, 2010

FIFTEENTH ANNUAL REPORT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	2009-10		2008-09	
	Amount	Amount	Amount	Amount
A. Cash Flow from Operating Activities				
Net Profit before tax and Extraordinary Items		2,521,355		2,158,675
Adjusted for				
Depreciation	2,556,150		2,099,835	
Misc. Exp. (incl. W/off)	59,812		53,067	
Provision for Taxation	-	2,615,962	-	2,152,902
Operating Profit before Working Capital Changes		5,137,317		4,311,578
Adjusted for				
Inventories	(435,147)		(1,614,225)	
Sundry Debtors	649,605		(1,062,612)	
Loans & Advances	779,417		6,251,426	
Current Liabilities & Provisions	5,516,331	6,510,207	2,640,657	6,215,245
Cash generated from Operating Activities		11,647,524		10,526,823
Less : Direct Tax Provisions		(800,000)		(695,000)
Net Cash flow from Operating Activities		10,847,524		9,831,823
B. Cash Flow from Investing Activities				
Purchase of Fixed Assets	(1,186,219)		(4,566,181)	
Sales of Fixed Assets	-		366,745	
Adjustment of Taxation of earlier year	(64,106)		-	
Decrease in Profit & Loss A/c (Dr. Balance)	-		-	
Increase / Decrease in Miscellaneous Expenses	(67,450)		(530,668)	
Prior Period Adjustment	-		(62,020)	
Increase in Investments	-		(5,000,000)	
Net Cash used in Investing Activities		(1,317,775)		(9,792,124)
C. Cash Flow from Financing Activities				
Decrease in Share Forfeiture Reserve Account	-		-	
Increase in Secured Loan	(23,100)		(121,380)	
Increase in Capital Reserves	-		-	
Increase in Unsecured Loan	172,578		(72,578)	
Net Cash used in Financing Activities		149,478		(193,958)
Net increase in Cash and Cash Equivalents (A + B + C)		9,679,226		(154,260)
Opening Balance of Cash and Cash Equivalents		3,032,594		3,186,854
Closing Balance of Cash and Cash Equivalents		12,711,820		3,032,594

Note : Figures in brackets indicate negative figures.

The previous year's figures have been regrouped and reclassified wherever necessary.

In terms of our report of even date
For B. S. RAJPUT & ASSOCIATES
Chartered Accountants

On behalf of the Board of Directors
Nimbus Foods Industries Limited

(Bhupendrasingh Rajput)
Partner

Vishnu Sharma
Managing Director

Amit Khaksa
Joint Mg. Director

Place : Ahmedabad
Date : 9th August, 2010

Place : Ahmedabad
Date : 9th August, 2010

NIMBUS FOODS INDUSTRIES LIMITED

19. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

a. Registration details

Registration No.	2 5 6 3 1	State Code	0 4
Balance Sheet Date	31 - 03 - 2010		
	Date Month Year		

b. Capital Raised During the Year (Rs. in Thousands)

Public Issue	N I L	Bonus Issue	N I L
Right Issue	N I L	Private Placements	N I L

c. Position of Mobilisation and Deployment of Funds (Rs. in Thousands)

Total Assets	5 3 6 4 1	Total Liabilities	5 3 6 4 1
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SOURCES OF FUNDS

Paid up Capital	4 5 8 1 1	Reserve and Surplus	5 5 8 7
Secured Loans	8 8 0	Unsecured Loans	1 3 5 8
Deferred Tax Liability	5		

APPLICATION OF FUNDS

Net Fixed Assets	2 1 0 2 8	Net Current Assets	2 7 1 2 8
Investments	5 0 0 0	Accumulated Losses	N I L
Misc. Expenditure	4 8 5		

d. Performance of the Company (Rs. in Thousands)

Turnover	8 4 6 6 6	Total Expenditure	8 2 1 4 5
Profit / (Loss) Before Tax	2 5 2 1	Profit / (Loss) After Tax	1 7 1 8
Earning Per shares in Rs.	0 . 0 4	Dividend rate (%)	N I L

e. Generic Name of Principal Product of Company : Bread & Bakery Products

Item Code No.	: N. A.
Product Description	: N. A.

As per our report of even date
For B. S. RAJPUT & ASSOCIATES
Chartered Accountants

On behalf of the Board of Directors
Nimbus Foods Industries Limited

(Bhupendrasingh Rajput)
Partner

Vishnu Sharma
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